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PUBLIC HEARING: TOWN OF POUGHKEEPSIE

-----X

In the Matter of the Application of:

MHTC DEVELOPMENT, LLC, FOR FINANCIAL ASSISTANCE
FROM THE DUTCHESS COUNTY INDUSTRIAL DEVELOPMENT
AGENCY.

-----X

DATE: December 04, 2024
Poughkeepsie, New York
10:00 a.m. - 10:09 a.m.
Donna M. Wells, Reporter

VIDEOTAPED MINUTES
OF
PUBLIC HEARING

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APPEARANCES :

DONALD CAPPILLINO, ESQ.
HEARING OFFICER
CAPPILLINO, ROTHSCHILD & EGAN, LLP
7 Broad Street
P.O. Box 390
Pawling, New York 12564
Email: ec@cappillino.com

ALSO PRESENT :

John Hettinger, MHTC Development, LLC
Amandine Noca
Antoine Lefort
Sara Lee, CEO, Think Dutchess

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HEARING OFFICER'S EXHIBITS

1	Notice of public hearing	
	For identification/In Evidence	4:5
2	Affidavit of Publication	
	For Identification/In Evidence	4:9
3	Affidavit of Service	
	For Identification/In Evidence	4:13
4	Designation letter	
	For Identification/In Evidence	4:17

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MHTC Development, LLC
(Whereupon the following exhibits were marked
before the start of the public hearing)

(NOTICE OF PUBLIC HEARING RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 1
FOR IDENTIFICATION/IN EVIDENCE)

(AFFIDAVIT OF PUBLICATION RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 2
FOR IDENTIFICATION/IN EVIDENCE)

(AFFIDAVIT OF SERVICE RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 3
FOR IDENTIFICATION/IN EVIDENCE)

(DESIGNATION LETTER RECEIVED AND MARKED
AS HEARING OFFICER'S EXHIBIT 4
FOR IDENTIFICATION/IN EVIDENCE)

HEARING OFFICER CAPPILLINO: Good
morning everyone. I will now open this
public hearing in the matter of MHTC
Development, LLC, for financial assistance
concerning this project concerning the

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MHTC Development, LLC
company at 18-22 Eastdale Avenue, LLC, for
financial assistance from the Dutchess
County Industrial Development Agency.

Before the public hearing began I
had the stenographer mark as Hearing
Officer's Exhibit Number 1, in Evidence,
the notice of public hearing in this
matter indicating that the public hearing
will be held today, December 04, 2024, at
10:00 a.m., at the Dutchess County
Industrial Development Agency, 3 Neptune
Road, large conference room, Poughkeepsie,
New York, in connection with this project.
The large conference room was still being
occupied and in order to move this along
we moved a couple of doors away, but the
receptionist is there to direct anyone who
wants to attend to come into this room and
to be heard. The notice of public hearing
indicates that this would be held today,
December 4, 2024, at 10:00 a.m.

I have marked as Hearing Officer's
Exhibit Number 2, in Evidence, the
affidavit of publication indicating that

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MHTC Development, LLC
on November 19, 2024, a copy of this
notice of public hearing was published in
the Poughkeepsie Journal.

I have marked as Hearing Officer's
Exhibit Number 3, in Evidence, the
affidavit of Jenna Jones indicating that
on November 19, 2024, she served by
ordinary mail a true copy of the notice of
public hearing in this matter both by
electronic email and with a red receipt
requested to the last known email
addresses of the Honorable Rebecca
Edwards, Supervisor of the Town of
Poughkeepsie, Dr. Philip Benante,
Superintendent of Schools for the
Arlington School District, and upon the
Honorable Susan J. Serino, County
Executive of Dutchess County. In
addition, a true copy was served by
mailing in a sealed envelope prepaid
postage thereon to those same people.

I have marked as Hearing Officer's
Number 4, in Evidence, the November 19,
2024, letter from Timothy Dean, Chairman

1 MHTC Development, LLC
2 of the Dutchess County Industrial
3 Development Agency, designating me as the
4 Hearing Officer in this matter.

5 With that, I will open the public
6 hearing to comment. Mr. Hettinger.

7 BY MR. HETTINGER: Thank you, Don.

8 HEARING OFFICER CAPPILLINO:

9 Introduce yourself please.

10 BY MR. HETTINGER: My name is John
11 Hettinger. I am here on behalf of MHTC
12 Development. Good morning everyone.
13 Thank you for having us in.

14 The project we're discussing today
15 will be owned and operated by 18-22
16 Eastdale Avenue, LLC, and would represent
17 an allocation of benefits previously
18 conferred upon MHTC Development, LLC, to
19 that entity.

20 18 to 22 Eastdale Avenue is an
21 approximately 4,190 square foot mixed use
22 building located on Eastdale Avenue South
23 adjacent to the Blue Olive and Live
24 Inspired. The building will have a unique
25 look and feel that will be unto itself

1 MHTC Development, LLC

2 while, nonetheless, complementing the
3 architecture or vernacular of the broader
4 Town Center. The first floor commercial
5 component will be occupied by La Caviste,
6 a wine shop, and Prometheus Associates, a
7 purveyor of cigars, and the second floor
8 will house three apartment units. The
9 project is majority owned by MJTAA, LLC,
10 which is an affiliate of La Caviste. The
11 project is consistent with the original
12 intent of the plan for Eastdale Village.

13 MHTC Development champions the
14 owner/operator construct and aims to
15 support other owner/operators within the
16 Town Center as much as possible.

17 With me today is Amandine Noca, a
18 Principal of MJTAA, LLC, and La Caviste.
19 Amandine, would you like to say a few
20 words about yourself and about this
21 project?

22 BY MS. NOCA: Yes. Hi, everybody.
23 Good morning. Thank you for having me.
24 My name is Amandine. I'm French. I've
25 been here in the U.S. since 2008. I'm the

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MHTC Development, LLC
SVP financial person for a baby skin care
company currently. I have three kids and
I own a house in Stanfordville.

So my project, La Caviste, is to
open a boutique wine shop that would
promote a woman wine maker. We are very
excised about this project that would not
be possible without the IDA support, so
thank you very much for your
consideration. Without the support of the
IDA we would not be able to own this real
estate and we really want to thank you for
your consideration of this project.

HEARING OFFICER CAPPILLINO: Does
anyone else want to say anything?

(Whereupon there were no other speakers)

HEARING OFFICER CAPPILLINO: No one
else having anything to add, I will close
the public hearing. Thank you all for
attending.

(End time - 10:09 A.M.)

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& 2:5	6 10:20	assistance 1:4 4:24 5:3	certify 10:7
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<p>d</p> <p>date 1:8 dated 10:20 dean 6:25 december 1:8 5:10,22 10:20 designating 7:3 designation 3:9 4:17 development 1:4,5 2:19 4:1 4:24 5:1,4,12 6:1 7:1,3,12,18 8:1,13 9:1 direct 5:18 discussing 7:14 district 6:17 don 7:7 donald 2:4 donna 1:10 10:5,14 doors 5:17 dr 6:15 dutchess 1:5 2:20 5:3,11 6:19 7:2 10:3</p>	<p>egan 2:5 electronic 6:11 email 2:7 6:11 6:12 entity 7:19 envelope 6:21 esq 2:4 estate 9:13 everybody 8:22 evidence 3:3,5 3:7,9 4:7,11,15 4:19 5:7,24 6:6 6:24 excised 9:8 executive 6:19 exhibit 4:6,10 4:14,18 5:7,24 6:6 exhibits 3:2 4:2</p>	<p>h</p> <p>heard 5:20 hearing 1:2,17 2:4 3:2,3 4:3,5 4:6,10,14,18,21 4:23 5:5,6,8,9 5:20,23 6:3,5 6:10,23 7:4,6,8 9:15,20,22 held 5:10,21 hettinger 2:19 7:6,7,10,11 hi 8:22 honorable 6:13 6:18 house 8:8 9:4</p>	<p>jenna 6:7 john 2:19 7:10 jones 6:7 journal 6:4</p>
<p>e</p> <p>eastdale 5:2 7:16,20,22 8:12 ec 2:7 edwards 6:14</p>	<p>f</p> <p>feel 7:25 financial 1:4 4:24 5:3 9:2 first 8:4 floor 8:4,7 following 4:2 foot 7:21 foregoing 10:7 french 8:24</p>	<p>i</p> <p>ida 9:9,12 identification 3:3,5,7,9 4:7,11 4:15,19 indicates 5:21 indicating 5:9 5:25 6:7 industrial 1:5 5:4,12 7:2 inspired 7:24 intent 8:12 introduce 7:9</p>	<p>k</p> <p>kids 9:3 knowledge 10:10 known 6:12</p>
	<p>g</p> <p>good 4:21 7:12 8:23</p>	<p>j</p> <p>j 6:18</p>	<p>l</p> <p>la 8:5,10,18 9:5 large 5:13,15 lee 2:20 lefort 2:20 letter 3:9 4:17 6:25 live 7:23 llc 1:4 2:19 4:1 4:24 5:1,2 6:1 7:1,16,18 8:1,9 8:18 9:1 llp 2:5 located 7:22 look 7:25</p>
			<p>m</p> <p>m 1:10 10:5,14 mail 6:9 mailing 6:21 majority 8:9 maker 9:7 mark 5:6</p>

<p>marked 4:2,5,9 4:13,17 5:23 6:5,23 matter 1:3 4:23 5:9 6:10 7:4 mhtc 1:4 2:19 4:1,23 5:1 6:1 7:1,11,18 8:1 8:13 9:1 minutes 1:15 10:8 mixed 7:21 mjtaa 8:9,18 morning 4:22 7:12 8:23 move 5:16 moved 5:17</p>	<p style="text-align: center;">o</p> <p>occupied 5:16 8:5 officer 2:4 4:21 7:4,8 9:15,20 officer's 3:2 4:6 4:10,14,18 5:7 5:23 6:5,23 olive 7:23 open 4:22 7:5 9:6 operated 7:15 operator 8:14 operators 8:15 order 5:16 ordinary 6:9 original 8:11 own 9:4,12 owned 7:15 8:9 owner 8:14,15</p>	<p>6:15 prepaid 6:21 present 2:18 previously 7:17 principal 8:18 project 4:25 5:14 7:14 8:9 8:11,21 9:5,8 9:14 prometheus 8:6 promote 9:7 public 1:2,17 3:3 4:3,5,23 5:5,8,9,20 6:3 6:10 7:5 9:22 10:6 publication 3:5 4:9 5:25 published 6:3 purveyor 8:7</p>	<p>reporter 1:10 10:5 represent 7:16 requested 6:12 road 5:13 room 5:13,15 5:19 rothschild 2:5</p>
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<p>name 7:10 8:24 neptune 5:12 new 1:8 2:6 5:14 10:2,7 noca 2:19 8:17 8:22 notary 10:6 notice 3:3 4:5 5:8,20 6:3,9 november 6:2,8 6:24 number 5:7,24 6:6,24</p>	<p>p.o. 2:6 pawling 2:6 people 6:22 person 9:2 philip 6:15 plan 8:12 please 7:9 possible 8:16 9:9 postage 6:22 poughkeepsie 1:2,8 5:13 6:4</p>	<p>real 9:12 really 9:13 rebecca 6:13 receipt 6:11 received 4:5,9 4:13,17 receptionist 5:18 recorded 10:9 red 6:11 reduced 10:9</p>	<p>sara 2:20 school 6:17 schools 6:16 sealed 6:21 second 8:7 serino 6:18 served 6:8,20 service 3:7 4:13 shop 8:6 9:6 signature 10:14 skin 9:2 south 7:22 speakers 9:18 square 7:21 ss 10:2 stanfordville 9:4 start 4:3 state 10:2,6 stenographer 5:6 stenotype 10:5 street 2:5</p>

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From: [Doreen Tiganelli](#)
To: [Sarah Lee](#)
Subject: Public comment for DCIDA Dec 4, 2024 hearing for MHTC Development/18-22 Eastdale Phase III-L
Date: Tuesday, December 3, 2024 2:12:42 PM

Ms. Lee, please acknowledge and include my comments as part of the official public record for the DCIDA Public Hearing for MHTC Development LLC and 18-22 Eastdale LLC Phase III-L Project to be held at 10:00 am on December 4, 2024 at the DCIDA office on Neptune Road in the Town of Poughkeepsie and share these comments with the DCIDA Chair and Board members.

- 1)** I am opposed to the issuance of any "Financial Assistance" to the Project in any form including, but not limited to, any new exemptions or assignment of tax exemptions including any portion of the Mortgage Tax Exemption, Sales Tax Exemption, Real Property Tax Exemption/PILOT previously granted to MHTC Development, LLC.
- 2)** While the Notice of Public Hearing states Financial Assistance includes "*granting a real property tax exemption and providing for payments in lieu of real property taxes*", the Hettinger/Noca application letter dated November 6, 2024 does not detail real property tax exemption and payments in lieu of real property taxes. The letter only details sales tax exemption estimated at \$40,000 and mortgage recording tax exemption estimated at \$10,125. In the interest of transparency, amounts of all exemptions should be stated.
- 3)** Regarding job creation, according to the application letter, this portion of the project is estimated to create and/or maintain only "1 FTE's".

It is debatable whether the total number of jobs to be created by the Eastdale project justifies the numerous tax incentives given by the DCIDA. There is also the concern as to whether the DCIDA is capable of ensuring the validity of stated job numbers as audits of the DCIDA by the NYS Comptroller and the Dutchess County Comptroller both documented concerns regarding the agency's accuracy and monitoring of job creation and retention numbers.

- 4)** Project applicants continually seek financial assistance in the form of tax breaks that shift the tax burden to the remaining base which may lead to higher tax bills for other property owners while maximizing profits of the developers. While some DCIDA members dismiss this, it has been supported by statements made by the NYS Comptroller's office in its yearly report on IDAs.

The New York State Comptroller's 'Performance of Industrial Development Agencies In New York State', 2024 Annual Report dated May 2024 states, "*However, the property tax exemptions that they grant to their*

projects can temporarily reduce the tax base of local governments and school districts for the period of the exemption, which may result in increases to taxpayers' bills."

5) This public hearing is being held to conform to legal requirements and, ostensibly, to gather public comment for the board's consideration. However, approval for these latest Eastdale exemptions is all but guaranteed based on past comments made by DCIDA Board Chairman Tim Dean. The chairman essentially said if the DCIDA didn't approve requests for additional funding it would discourage future applicants and that saying no would be like reversing their prior approval.

6) While DCIDA board members often justify granting of exemptions by touting tax revenues, they always fail to note the tax revenue that would be brought in if the project proceeded with the applicant paying their *full* share of taxes.

Furthermore, applicants often challenge the assessed value of the property after project completion, asking for a reduction in assessed value. When reductions are granted, projected tax revenues touted by the IDA end up being lower than stated, again leaving the remaining tax base to subsidize the developer's profits. The Eastdale project may eventually seek such a reduction.

For the above-stated reasons, I oppose the requested Financial Assistance.

Doreen Tignanelli
Town of Poughkeepsie

From: [Jim Beretta](#)
To: [Sarah Lee](#)
Subject: Public Hearing Comments, MHTC Development LLC and 18-22 Eastdale Avenue LLC (Phase III-L Project) Dec 4, 2024
Date: Tuesday, December 3, 2024 1:31:06 PM

Ms. Lee (DCIDA CEO),

I wish to submit public comment for the public hearing to be held by the Dutchess County Industrial Development Agency (the "Agency") on the 4th day of December 2024 at 10:00 a.m., local time, at the Dutchess County Industrial Development Agency, Three Neptune Road, large conference room, Poughkeepsie, Dutchess County, New York 12601, in connection with a project proposed by MHTC Development, LLC and 18-22 Eastdale Avenue LLC Dutchess Turnpike (Phase III-L Project)

Please acknowledge receipt of this public hearing input and that it will be added to the record as public hearing comment.

I am opposed to the financial assistance being contemplated as listed in the Public Hearing Notice as follows:

"The Agency is contemplating providing financial assistance (the "Phase III-L Financial Assistance") to the Company with respect to the Phase III-L Facility by granting a real property tax exemption and providing for payments in lieu of real property taxes. The Phase III-L Financial Assistance will also include an exemption from all state and local sales and use taxes with respect to the qualifying personal property included within the Phase III-L Facility or used in the construction, improvement, reconstruction, repair, renovation, installation, furnishing and equipping of the Phase III-L Facility and an exemption from all real estate transfer taxes and mortgage recording taxes with respect to any qualifying mortgage on the Phase III-L Facility (or such interest in the Phase III-L Facility as is conveyed to the Agency) to secure the financial assistance and/or any other indebtedness incurred by or for the benefit of the Company in connection with the Phase III-L Project. The proposed real property tax abatement will be a permitted deviation from the Agency's Uniform Tax Exemption Policy and this Notice of Public Hearing, when transmitted to the affected taxing jurisdictions, shall serve as notice under Section 874(4)(b) of the New York General Municipal Law as to the proposed deviation. Such Phase III L Financial Assistance will be allocated from a portion of the financial assistance which the Agency has granted to the Master Company for the Master Project. "

My reasons for opposition are as follows:

1. The requested financial incentives are a transfer of tax burden to the rest of the taxpaying public. Granting of the contemplated financial assistance is corporate welfare.

2. There appears to be no limit to the amount of financial assistance provided by the DCIDA and the applicant can come back an unlimited number of times for more financial assistance.

3. The applicants are most often given an unfair advantage in the DCIDA public hearings in that the applicant is, based on my observations, given multiple opportunities to talk: First, at the beginning to provide opening comments and then, second, to rebut, or embellish, any comments made by the public. As it is a public "hearing", and not a debate, each party should get one chance to speak. If the applicant is going to get multiple opportunities to speak, then public participants should get additional chances to speak also.

By the time of the hearing, the applicant has already had time in front of the DCIDA board to talk about their project before preliminary approval. They will then get an opportunity in front of the DCIDA board, again, for final approval. The public hearing is to hear all persons with views in favor of or opposed to the issuance of the financial assistance, not to hear the applicant debate, discredit, or discount public comments.

4. Based on my observation, any project that has been given prior approval by the DCIDA gets a rubber stamped Final Approval. The Public Hearing is just a formality and the completion of an obligation to get to the final approval which usually gets a unanimous vote to approve from the board.

5. This will be another tainted approval by the DCIDA board:

The IDA board has been tainted by DCIDA Chairman Tim Dean's comments at the November 10, 2021 DCIDA meeting regarding another project, the USEF Tioranda, LLC (Amazon/Bluewater) request for additional sales tax exemption, where he set the following tone:

a. The reasons for granting the initial approval should be the basis of approval for future, reasonable, changes to a project and that the applicant would expect that.

b. If the DCIDA rejects a request for changes that it may affect future projects and the applicant may go somewhere else.

In essence, the message to the board was: If the applicant comes back asking for changes, the IDA board owes it to them.

Again, I am opposed to the financial assistance being requested. Everybody should pay their full share of taxes.

Sincerely,

Jim Beretta

Dutchess County Resident & Taxpayer